



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

**BOARD OF SUPERVISORS**

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Fifth District

May 29, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

- (1) Account Number - 4309505, in the amount of \$120,000
- (2) Account Number - 8604092, in the amount of \$367,300

**PURPOSE OF THE RECOMMENDED ACTION:**

The compromise offers of settlement for these accounts are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patients, except for possible beneficiary coinsurance or deductible obligations.

**JUSTIFICATION:**

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

**FISCAL IMPACT:**

This will expedite the County's recovery of partial payments totaling \$487,300, from the patients' insurance (Commercial or HMO) companies for the medical care provided.

**FINANCING:**

Not applicable.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when in the best interest of the County. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

**CONTRACTING PROCESS:**

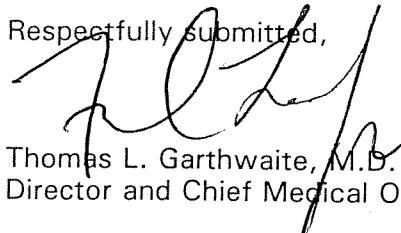
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Maximizing net revenue on these accounts will help DHS to meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

  
Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

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Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: May 29, 2003

<b>Total Charges</b>	\$226,404	<b>Account Number</b>	4309505
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$226,404	<b>Date of Service</b>	11/18/02-11/30/02
<b>Compromise Amount Offered</b>	\$120,000	<b>% Of Settlement</b>	53% of Gross Charges
<b>Amount to be Written Off</b>	\$106,404	<b>Facility</b>	MLK/Drew Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: May 29, 2003

<b>Total Charges</b>	\$734,024	<b>Account Number</b>	8604092
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$734,024	<b>Date of Service</b>	12/23/02-02/13/03
<b>Compromise Amount Offered</b>	\$367,300	<b>% Of Settlement</b>	50% of Gross Charges
<b>Amount to be Written Off</b>	\$366,724	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.